

GREEN MARKETING: AN EVOLVING PHENOMENON

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ABSTRACT

The growing global consciousness and awareness about the environmental degradation has raised serious concerns about its safety. United Nations has tried to raise accountability and responsibility among the decision makers to avert major environmental disasters through its Global Environmental Outlook. Green marketing practices are adopted by the organisations to develop environment-friendly products. The entire process of manufacturing and producing the products are also designed to consume less energy or alternative sources of energy. The use of bio-degradable parts, packaging, green supply chain and generating less pollutants in manufacturing have positive effect on the environment. This study aims to provide information about the evolution of Green marketing. The gradual development has been ecological, environmental, and sustainable. The study also leads to understanding of challenges associated with it. The green marketing being a new concept requires awareness generation through various media, especially social media, and digital medium. The increase in cost due to the green technology and green marketing is difficult to communicate to the consumers. The lack of trust factor in believing the claims made under green practices is another difficulty. The green marketing, nevertheless, benefits all the stakeholders as per the study. The consumers get eco-friendly products which makes the consumers as well as companies to contribute positively to environment safety. The companies enhance their image through green marketing as consumers wants to be associated with environment friendly companies. The impact of global warming and climatic changes reduces agricultural productivity, negatively impacts ecosystem and human health. Green production practices help in reduction of poverty and hunger and improvement in economy by better agricultural produce. The examples of green practices adopted by several companies like McDonald, Walmart, Hewlett Packard, Honda, Ikea, State Bank of India, Maruti Suzuki etc. are testimonial to the fact that organisations have become responsible and realise the positive effects of green marketing. This has also been illustrated in the study of examples of green practices adopted by the companies. The study also highlights the prospects of green marketing. The future of green marketing is full of potentialities and innovative practices. The organisations will be focussing on the use of green technology and environment friendly technology to develop green products. The areas of research and development has widened the scope to innovate and produce environment friendly products and services in different sectors of the economy. The adoption of green marketing practices is the key to develop sustainable organisations.

Keywords: *Green Marketing; Environment Friendly; Innovation; Sustainable Organisations*

INTRODUCTION

United Nations through its Environment's sixth Global Environment Outlook (GEO, 2019) goaded the decision makers to take action to avert environmental disasters and to achieve the Sustainable Development Goals. GEO presents a grim and deteriorating picture of the environment driven by growing population, urbanisation, and climate change. There are some alarming conditions as per the report like alarming pollution leads to premature deaths, 8 million tons of plastic pollute oceans every year and 1.4 million deaths are happening due to pathogen-polluted drinking water. Customers are aware and are anxious about the negative impact on the environment. They have started

preferring environment friendly products (Vilkaitė-Vaitonė & Skačkauskienė, 2019). As the 2014 Nielsen Global Survey on corporate social responsibility reports that from among 30,000 consumers from 60 countries, 55% consumers were willing to pay extra for companies committed to positive social and environmental impact. To ensure sustainable impact 52% consumers check product packaging.

LITERATURE REVIEW

Green marketing has evolved in three stages, i.e., ecological, environmental, and sustainable (Mishra & Sharma, 2014; Zampese, Moori, & Caldeira, 2016; Lazar, 2017; Papadas, Avlonitis & Carrigan, 2017).

During the first phase i.e., ecological phase the focus of researchers and practitioners were on toxic industries like chemical, mining etc and the damage caused to the environments due to them (Papadas, Avlonitis & Carrigan, 2017). The main benefit gained during this phase of awareness from the government. During the second phase, the focus was on clean technology for developing innovative product leading to decrease in pollution and waste (Lazar, 2017). This stage included electronics, tourism, and clothing industry as well besides the ecological phase companies. The companies in this phase found it difficult to convince the consumers about the green attributes of the product and its benefits. However, packaging recycling started being implemented in this stage. There was considerable interest in green marketing by the companies initially in 1990s but slowly it declined as companies considered it as an additional burden on cost. During 2000, sustainable phase started where companies focussed on special requirement of consumption and production in a manner that current method should not harm the living of future generations (Peattie, 2001). In this phase, green marketing gained adoption and acceptance by the companies. Sustainable marketing, future orientation and emphasis on needs became popular in companies of many industries (Katrandjiev, 2016). Green marketing is still evolving as global recognition of environmental problems is continuously increasing.

American Marketing Association (AMA) defines green marketing as marketing of products that are believed to be environment-friendly, which organises into various activities such as product adjustment, modification of production processes, packaging, labelling, advertising strategies as well as increases awareness on compliance marketing amongst industries (Yazdanifard & Mercy, 2011). There are several definitions of green marketing highlighting environmental benefits, holistic marketing concepts, providing green products etc. (Mishra & Sharma, 2014; Papadas, Avlonitis & Carrigan, 2017). According to Mishra & Sharma (2014), Holistic marketing concept is such in which marketing, consumption, production, disposal of products happens in a way that is less harmful to the environment with awareness about impact upon global warming, harmful effect of pollutants and non-biodegradable solid waste. D'Souza *et al.*, (2015) & Ahmadzadeh, Eidi & Kagopour (2017) defined that green marketing is to make strategic efforts to provide eco- friendly products to the customers. The definition given by Lazar (2017) covers much more than the green marketing practically does. Rajan, Kushwaha, Parkman and Krause (2018) defined green marketing as energy efficient,

environment friendly and organic.

Objectives of the study

1. To study the evolution of green marketing.
2. To understand the challenges and benefits associated with it.
3. To know about the green marketing practices of the companies.
4. To find out the future innovations, disruptions, and prospects of green marketing.

RESEARCH METHODOLOGY

The study is exploratory in nature. The study is done with the help of information collected through secondary sources. An in-depth study of the articles of journals from Google Scholar, Research Gate, Sage publications, Springer etc. were done. Several websites, newspaper articles, magazine articles were referred for the study of the topic. The study provides better understanding of the different aspects related to green marketing. The study adds to the already existing knowledge of the topic.

DISCUSSION

I. Challenges of going green

The option to go green is full of challenges. The companies practising green marketing need to be truthful in their practices and claims. The claims should not be misleading. The organisations should clearly state the environmental benefits, justify the comparative differences, and should consider the negative factors and firms being socially responsible should take into consideration that present environmentally responsible action might be harmful in the future. Verma (2015) and Nadaf & Nadaf (2014) studied about the challenges of green marketing in India. Through the secondary data analysis of government, consumer, and competition they analysed them to be the reason behind the emergence of green marketing in India. They evaluated the problems and strategies of green marketing in India. Some of the reasons given by them include misleading claims, less consumer awareness, high cost, less credibility. They suggested better management control, technology, and good marketing plan for better management of green marketing. According to Singal, Garg & Singla (2013) there should be regulatory authority to certify and standardise the green products so that the claims become authentic and truthful. They feel that the concept of green marketing and product is a new one which requires more awareness among consumers and the companies need to consider it.

Welling & Chavan (2010) mentioned that the use of green technology, green power etc. requires high investment adding to the challenge faced by the organisation. Shafaat & Sultan (2012) cited Joel Makower related to the challenges. It highlights the non-availability of clear common consensus among public about the exact meaning of “green”.

a. Lack of awareness among consumers – Majority of the consumers are unaware of the practices of green marketing and the benefits associated with them. They need to be educated and made aware about it. Eco-labelling can be a way of convincing customers for purchase of green products.

b. High cost- Green marketing practices lead to increase in price of the product. The consumers especially in India are price sensitive and prefer to purchase products of reasonable price.

c. New concept- Green marketing has evolved in recent times. The green movement needs to reach the masses. The culture and tradition of India consists of worshipping nature. This needs to be incorporated in explaining the consumers about the benefits of green marketing.

d. Aggressive Promotion- The companies need to promote aggressively about the green products and its benefits. The companies are making and selling green products but are not promoting it because it is a new concept which needs to be propagated thoroughly.

e. Truthful claims – The claims made by companies should be truthful. The misleading claims made by some of the organisations reduces the credibility and develops mistrust among the consumers.

II. Benefits associated with green marketing

a. Benefits to the consumers- Consumers play an important role of saving the environment by purchasing environment friendly product. They in turn benefit by having a cleaner environment for their sustainable existent. Consumers want ecologically friendly products without sacrificing other valuable features. Consumers also want to be associated with environment friendly product and organisations. The companies targeting the millennial customers should become socially and environmentally responsible.

b. Benefits to the environment- The direct beneficiary of green marketing is the environment. Fossil fuels consumption are the main sources of greenhouse gases associated with climate change. The product development under green marketing leads to less

energy consumption as fuel efficient appliances are being made. The introduction of hybrid vehicles reduces air pollution levels. Farming methods which are eliminating the use of chemical fertilisers reduces the amount of excess nutrients which leads to reduction of contamination of ground water.

c. Strategic benefits- Companies derive strategic benefits by including green marketing practices. The organisations are including ecological aspects in their mission statements which enhances their image among the various stakeholders like consumers, employees, shareholders, government, investors, and public. The ecological concern of the organisation creates positive image among consumers. It attracts qualified employees and augments the employees' engagements in the firm's activities and productivity. Investors flock towards organisations who help in removal of problems related to fuel price rise and green house emission reduction.

d. Product benefits- Green products have a better chance of success when the consumers are aware of the environmental benefits associated with them. Green attributes must be there along with the price, quality and performance which increase customer value and ultimately consumption. Green products must improve the environment and provide customer satisfaction. Green marketing also finds ways to develop environment friendly packaging. Marketers are trying to remove plastics and other Petro-chemicals products. Procter and Gamble removed the outside carton of its Sure and Secrets deodorants leading to decrease the amount solid waste produced by the consumers.

e. Supply chain benefits- Green strategies help in the reduction of wastage in by analysing truck loading and route planning in the delivery process. Routing helps in eliminating fuel costs helps in maximising truck capacity utilization and improve customer service. Green marketing increases sustainability in the organisation by creating relationships among the firms that make up the entire supply chain right from mining, raw materials, products, distribution network to reaching the consumers. Companies trace products throughout the supply chains. Such kinds of companies that adopt sustainable and green strategies for production and distribution provide a level of insurance of product quality.

f. Growth of the economy- Climate change reduces agricultural productivity, increases water consumption, increases sea levels, negatively impacts ecosystem, and harms human health. They lead to hunger and poverty in developing markets. Green marketing practices in the

production reduce climate change and thereby limit hunger and poverty. Developing economies face migratory problems from rural to urban areas. This impacts the consumption of resources in these areas and green marketing practices influence the global environment. Green marketing technologies help the firms doing business in these countries jump ahead of old technologies with efficient environment friendly designs.

III. A Perspective of Green Marketing Practices adopted by the Organisations

a. Panasonic

Panasonic is having highly ambitious energy goals, in efficiency as well as renewable. Their aim is to manufacture environment friendly products. They shifted their headquarters to LEED-certified building in Newark by Penn Station so that the employees need not travel for office which helps in reduction of carbon footprints. They incorporated sustainability in their work and by collaborating with different companies they made a demonstration of Sustainable Smart Town in Japan.

b. Ikea

Ikea is a leader in investing in sustainability in its entire operations. They have made its supply chain sustainable by sourcing almost 50% of its wood from sustainable foresters. They also source 100% of its cotton from farms which uses reduced use of water, energy, chemicals fertilisers and pesticides and which matches the Better Cotton Standards. The company's goal is to be powered by 100 percent renewables by 2020 and later it augmented its goal to be net energy exporter during the same time.

c. Unilever

Sustainable Living Plan was adopted by Unilever in 2010. Under this they had targets for sourcing, supply chain, production on everything from energy and water use to treatment of suppliers and communities where they have establishment. Companies CEO had set the target of halving its environmental impact and doubling the company business in just 10 years. This led to three quarters of non-hazardous waste is not part landfills and number of its agricultural suppliers using sustainable practices have tripled.

d. McDonald

McDonald is turning a leader in use of green practices. They are using energy-efficient appliances and reducing energy wastage by 25% in their activities.

They have introduced green parking areas meant only for hybrid vehicles. The parking area has permeable concrete with the capability of cleaning the ground water and recharging facility. They also use methods which helps them in limiting the impact on destroying animals' habitats. They are considerate about the impact of fast food on people's health thereby adopting healthy ingredients.

e. Honda

It is a company which is manufacturing fuel-efficient vehicles is wanting to develop a hydrogen fuel cell powered vehicle. It is working towards cutting down its carbon emissions. They are investing in research hoping for a day when most cars will depend on hydrogen fuel as opposed to gasoline. Honda is doing its best to be 100% at par with the environmental protection duty as an auto company.

f. Walmart

Walmart as an organisation is energy conscious. Their transportation system is fuel-efficient, and their retail store also utilize 100% renewable energy sources. They position themselves through green courses in supply chain operations. They have very strict policy with their suppliers so that the suppliers manufacturing, processing, and distribution methods do not contribute to their carbon emissions.

g. Hewlett Packard

Hewlett Packard is a well-known computer brand which uses sustainable manufacturing and processes to reduce the harm its products pose on the environment. It has opened various operational e-waste recycling plants for revamping their computer disposal strategy makes sure that its branded materials are 100% recyclable. It is committed to the use of renewable energy sources.

h. Target

Target is instrumental in supporting and funding environmental sustainability programmes in the areas of education and environmental conservation. The company adopts the innovative green marketing approaches by introducing eco-clothing line. This line is designed and developed by environmentally sound and dynamic fabric which limits the over-reliance of raw products. The retail operations are prioritising on lighting conservation at its shopping centres.

I. State Bank of India

State Bank of India is using green channel counter and providing services like paperless banking, no

withdrawal form, no checks, no deposit slip, and no money transactions are done through SBI shopping & ATM cards. They have implemented best green IT project by utilising eco and power friendly equipment in its 10,000 new ATMs. They have earned carbon credits and saved power. SBI has used alternative source of energy like wind energy through a 15-megawatt wind farm developed by Suzlon. Under State Bank of India's green banking programme wind project was introduced to reduce the carbon footprint and promotion of energy efficient processes.

j. Hitachi India

Hitachi India has taken several initiatives for environmental benefits. They have formed an Environmental Vision 2025 through which they are wanting to prevent global warming, preserving ecosystem and re-cycling resources. They have an environmental system based on ISO 14001 standards. This includes mainly manufacturing bases. The company is keen to develop eco-minded employees by educating them about environment through e-learning via the internet. Hitachi India is trying to reduce CO₂ emissions through energy conservation and reducing waste material and focusing on reduction of chemicals used in the production process. Hitachi by adopting Assessment by Design for the environment in product development manufactured eco-products and through that strove to achieve greater energy saving. They effectively reduced the use of chemical substances and effectively utilised resources.

k. Maruti Suzuki

Maruti Suzuki is craving to provide a green tomorrow to the Indians and for this they are using green technology in its manufacturing, products, and supply chain. The company works upon reducing the pollution pressure on environment. For this the organisation makes optimum utilisation of raw materials, it has in-house natural gas generated electricity and conserves water by using canal water. It not only works for green environment but works along with its stakeholders like customers, suppliers, and the surrounding communities. It uses the natural resources in a responsible manner. Maruti Suzuki follows Bio Waste Management Rules, 2016 and it has adopted the ISO 14001 standard for itself as well its Tier-1 suppliers.

IV. Future Scope and Innovations of Green Marketing

Green marketing is gaining wide acceptance among consumers and the organisations. The green marketing's future is looking at designing environmental products

and through them delivering the consumers desired value and target. It is looking at creating more awareness among the consumers about the environment friendly attributes of the products and promoting them as solutions for consumer's needs. The green marketing practices will gain authenticity in future through eco-certifications of the product from trustworthy third parties and engaging the consumers by establishing a dialogue which is interesting and entertaining about eco-friendly products via internet and social network (Mishra & Sharma, 2011).

The consumer demand of environment friendly products is associated with the emotional buying behaviour of the Indian consumers. Consumers are demanding products which are healthy for them and safe for the environment. The consumers are favouring organisations using green practices. This helps companies gain competitive advantage through green marketing (Mohanty & Nayak, 2017).

Companies looking for sustainability need to be responsible towards their stakeholders. There should not only be looking for profitability but should also save and protect the environment. They should incorporate environment sensitivity and environment friendly attitude through the corporate culture. The organisations should develop and introduce environmental technologies through which environment friendly, affordable, appealing production process as well as products can be manufactured. The need of the hour for the organisations are to develop research and development facilities in different sectors like, in automobile reduce emissions, develop environment friendly vehicles, in tourism sector develop eco-tourism, in power sector develop green power and in housing sector develop green housing (Kasliwal and Khan, 2016).

According to the article posted on Britton on 5th August 2019, in future the brands will position themselves as a logical solution by educating consumers about the dangers caused by the entire process of making a product category. The current leaders of different product category should invest in research and development to protect themselves from disruptions by start-ups who move fast in areas of innovation by using newer technologies and eco-friendly product and process.

CONCLUSION

The global environmental concern is leading organisations to be environmentally conscious. Green

marketing as a practice has evolved over the years and is fast becoming a part of moral consciousness of the consumers as well as the organisations. The benefits associated with the green marketing needs to be aggressively promoted through integrated marketing communication with a major focus on social media marketing which is deep penetration among the audience. Green marketing is facing challenges, mainly with the cost escalation through green practices, leading to reduced attraction and purchase of the product. Literature review of challenges, benefits and future possibilities of green marketing has been done. The green practices are beneficial to all the stakeholders including society and the environment. This needs to be propagated widely to overcome the challenges associated with it. The brands which believe in innovation, green revolution and its marketing represents opportunity for growth. All the organisations have realised that to remain sustainable and future relevant they should adopt green marketing practices.

Conflict of Interests

The author declares that she has no conflict of interest.

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